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SUBJECT: INDONESIA-UNITED STATES STRATEGIC CONSULTATIONS
SESSION TWO: REGIONAL AND GLOBAL ISSUES

Classified By: Ambassador Cameron R. Hume, reasons 1.4 (b+d).

11. (C) SUMMARY: During the second session of the December 11 inaugural U.S.-Indonesia Strategic Consultations, Under Secretary Bill Burns led the U.S. delegation in a discussion of cooperation on regional and international issues. The USG and the GOI agreed to cooperate in promoting democratic reform in Burma and U/S Burns urged Indonesia to provide additional assistance for Afghanistan. The two sides also agreed on the importance of strengthening the international nuclear nonproliferation regime and to dealing peacefully with the Iranian and North Korean nuclear programs. U.S. and Indonesian officials also discussed the importance of an open and inclusive regional order in East Asia and of a viable peace process in the Middle East. END SUMMARY.

## U.S.-INDONESIA STRATEGIC CONSULTATIONS

12. (SBU) Under Secretary Bill Burns led the USG delegation to the first U.S.-Indonesia Strategic Consultations on December 11 in Jakarta. The Consultations are key part of regular, increased high-level engagement under the United States-Indonesia Comprehensive Partnership and will help deepen cooperation on bilateral, regional and global issues. This message reports the second session of the Consultations, which focused on cooperation on regional and international issues. Mission will report via septel on the results of the first session, which dealt with cooperation on education, the environment, economics, development, science and technology, and mil-mil relations.

### ASIAN REGIONAL ARCHITECTURE

- 13. (C) Indonesia was open minded regarding proposals for new Asia-Pacific architectures, but felt it was premature to back any one specific proposal DEPLU Director General for European and American Affairs Ambassador Retno Marsudi explained. She said the Association of Southeast Asian Nations (ASEAN) was Asia's only successful regional organization and that Indonesia believed a strong ASEAN was critical to regional stability. Indonesia was open to new institutions, such as Australian PM Rudd's Asia-Pacific Community and Japanese PM Hatoyama's East Asian Community, as long as they brought real benefits to the region.
- 14. (C) U/S Burns underscored that the United States was a Pacific nation and was committed to an enduring role in Asia. President Obama and Secretary Clinton had demonstrated this with their trips to the region. Our strong bilateral ties with Asian partners were a critical element of this engagement. Additionally, U/S Burns explained that the

United States wanted to be a part of Asian regional institutions as they continued to develop. EAP DAS Scot Marciel added that regional institutions must strike a balance between reaching consensus and getting things done. The ASEAN Regional Forum (ARF), he noted, tended to move slowly—a fact that led to some frustration among countries in the region. New regional institutions would have to avoid this danger in order to be successful.

### PROMOTING REFORM IN BURMA

- 15. (C) Turning to Burma, Ambassador Marsudi noted the need to continue to encourage democratic reforms there. She welcomed the new USG approach of direct engagement with the Burmese authorities. Discussion of this matter during the U.S.-ASEAN Summit on the margins of the APEC Leaders' Meeting in Singapore in November was an important step forward, she added.
- 16. (C) U/S Burns praised Indonesia's efforts to promote democratic reform in Burma, and praised the Bali Democracy Forum as an example of Indonesia's commitment to regional democratization. DAS Marciel reiterated the USG's commitment to maintaining sanctions on Burma while talking directly to the Burmese government. Indonesia has a key role to play in this process, he explained. Discussions with GOI officials during Secretary Clinton's February visit to Jakarta had helped shape the new U.S. policy. The USG urged Indonesia to press the Burmese government to release Aung San Suu Kyi and other political prisoners and to begin a dialogue with the democratic opposition and ethnic minority groups in advance

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of the planned 2010 elections. The United States had opened the way for Burma to end its isolation and build a better relationship with the international community. It was now up to the Burmese to reciprocate this opening by taking positive steps.

# ASSISTANCE FOR AFGHANISTAN

- 17. (C) U/S Burns said the United States welcomed Indonesia's desire to play a helpful role on Afghanistan and said that President Obama welcomed President Yudhoyono's thoughtful letter on the matter. He underscored that establishing security in Afghanistan was critical. However, security was only part of the picture. The United States and our partners were also committed to addressing economic development, promoting good governance and fighting corruption in Afghanistan. President Karzai had promised progress on these fronts and now it was time for his government to deliver. International assistance would be critical to helping the Afghan government succeed. U/S Burns urged Indonesia to contribute to this effort.
- 18. (C) Ambassador Marsudi said Indonesia was reviewing how it might contribute to Afghanistan. President Yudhoyono had instructed the Indonesian Ambassador in Kabul to develop concrete proposals. Indonesia was already providing training and building capacity for Afghan officials in agriculture, education, and health through training in Indonesia. Indonesian officials were considering whether they might help facilitate a national reconciliation process between the Afghan government and moderate elements of the Taliban. Indonesia also continued to consider training for the Afghan police. U/S Burns reiterated that the United States would welcome further Indonesian assistance in Afghanistan and pledged to remain in touch on the matter.

## NONPROLIFERATION, IRAN AND NORTH KOREA

19. (C) DEPLU officials underscored Indonesia's commitment to international disarmament and nonproliferation regimes, particularly the need to strengthen the Nuclear Nonproliferation Treaty (NPT). Indonesia supported the "grand bargain" of the NPT and would use the upcoming NPT

Review Conference to push for progress on all three pillars of the NPT. On disarmament, the GOI would encourage nuclear weapons states to meet their Article VI obligation to work toward the elimination of nuclear weapons. On nonproliferation, Indonesia would adhere to the principle of universality and would press for those states that are not party to the NPT to join the regime. Regarding the peaceful use of nuclear energy, Indonesia supported international guarantees of the nuclear fuel cycle through the IAEA.

- ¶10. (C) U/S Burns affirmed U.S. support for the three pillars of the NPT. The USG was working with Russia to reach agreement soon on a nuclear weapons reduction agreement to replace START. U/S Burns also stressed President Obama's commitment to reduce loose nukes and noted the that the President would host the Nuclear Security Summit in April to address the matter. Indonesia had set a good example by adopting the NPT Additional Protocol and pledging to ratify the Comprehensive Test Ban Treaty (CTBT), U/S Burns noted. He urged Indonesia to move forward with the CTBT as quickly as possible and not to wait for the United States to act first. Noting that U/S Burns had discussed CTBT ratification with FM Natalegawa the previous day, Ambassador Marsudi smiled and said "we will move faster."
- 111. (C) Turning to North Korea, U/S Burns noted Special Envoy Bosworth's recent trip to Pyongyang to encourage the DPRK to return to the Six-Party Talks. North Korea must adhere to its commitment to denuclearization under the September 2005 Six-Party Joint Statement. North Korean must now commit to return to the Six-Party Talks in the near term. Ambassador Marsudi responded that Indonesia firmly supported the Six-Party Talks, and expressed appreciation of U/S Burns' briefing on Ambassador Bosworth's visit. Indonesian officials reiterated this message in their interactions with North Korea and continued to urge Pyongyang to return to the negotiations.
- $\underline{\mathbf{1}}$ 12. (C) U/S Burns also explained that the P5 1 was

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increasingly frustrated with Iran's intransigence over the nuclear program. President Obama had made an unprecedented effort to reach out to Iran and offer Tehran better relations if Iran met its international nuclear nonproliferation obligations and resolved international concerns about the nature of its nuclear program. Working with the IAEA, the P5 1 had have offered Iran an international mechanism to refuel the Tehran Research Reactor. However, Iran has yet to respond positively to these offers, it continues to enrich in defiance of multiple UNSC resolutions, and it has failed to satisfy all IAEA requirements regarding its nuclear program. Given these facts, U/S Burns said that President Obama would be forced to reassess whether our current approach to engaging Iran could be sustained any longer, or whether the P5 1 would have to resort to greater pressure on Tehran.

113. (C) DEPLU officials underscored Indonesia's support for the P5 1 approach. They conceded that the situation was getting worse and that Iran was becoming more confrontational over the nuclear issue. Such defiance of international nonproliferation norms was particularly troubling in advance of the upcoming NPT review conference, Indonesia believed. GOI officials would urge their Iranian counterparts to respond positively to the P5 1 offers and to cooperate fully with the IAEA.

# THE MIDDLE EAST PEACE PROCESS

114. (C) U/S Burns outlined U.S. efforts to help build peace in the Middle East. He reaffirmed President Obama's commitment to achieving a two state solution between the Israelis and Palestinians but admitted that progress has been slow. The settlement issue has been particularly difficult. He also said the USG had urged Israel and Syria to resume their peace process. U/S Burns urged Indonesia to encourage

both sides to make a genuine commitment to the peace process. Acknowledging the sensitivity of the issue, U/S Burns also urged Indonesia to do what it can to increase contact with Israel.

- ¶15. (C) Ambassador Marsudi welcomed President Obama's efforts on the Middle East Peace Process. She said that Indonesia believed Israeli actions on settlements were "counterproductive" but reaffirmed the GOI's support for a two state solution. Indonesian officials continued to press the Palestinian Authority to make every effort to work with the United States in pursuit of a lasting settlement.
- 116. (U) U/S Burns cleared this message.

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